

Rural Issues in the Republic of Ireland and Northern Ireland Common to United States

Despite differences in history and geography, the United States and the Republic of Ireland and Northern Ireland share similarities in regard to rural development issues. These similarities include restructuring in the agricultural sector, rural outmigration, the need to develop alternative employment opportunities in rural areas, the need for coordination of effort by various agencies involved in rural development, and issues of funding and institutional organization.

The 1990's have seen a remarkable economic revival in the Republic of Ireland. Over the past 5 years, real GDP growth rates averaged 8 percent and inflation was reduced drastically. The emigration of the 1980's has given way to an inflow of population. Job growth has accelerated, and unemployment rates have fallen by half—to under 8 percent in 1998. Public finances are now in surplus and the national debt, relative to GDP, has been reduced substantially.

While economic growth in Northern Ireland has not matched that of the Republic, it has outpaced that in the United Kingdom (UK) as a whole, averaging 2.4 percent a year during 1990-95. The current unemployment rate is down to 8 percent. Many factors explain this economic resurgence, but clearly the cease-fires of 1994 in Northern Ireland and the subsequent efforts to advance the peace process have helped.

Notwithstanding the general economic revival in the island of Ireland, concern for the development of rural areas and for the well-being of rural communities has remained high on the policymaking agenda for four reasons. First, both the Republic and Northern Ireland have

relatively large rural populations. In the Republic, 48 percent of its 3.6 million inhabitants live outside of city centers of 5,000 or more people. In Northern Ireland, 44 percent of its population of 1.5 million live outside of the two major urban centers and 23 District towns.

Second, despite the economic boom, outmigration and population decline persist, especially in the more geographically remote areas. Third, agriculture employs a comparatively large share of the rural labor force, particularly in the Republic (22 percent of workers outside of towns of 1,500 persons upwards). Even so, many farms will not be commercially viable in the context of greater trade liberalization after 2000. In Northern Ireland as well, economic activity in rural areas is dominated by farming and agricultural services.

Finally, rural industrialization based on past models of "importing" capital and enterprise from abroad or from urban areas will likely become more difficult to achieve. Certain types of labor-intensive enterprises can readily move to lower cost economies, while high-tech, capital-intensive enterprises locate close to urban centers. Consequently, there is renewed emphasis on maximizing the potential of indigenous resources.

Of particular concern is the economic situation of the border counties—Cavan, Donegal, Leitrim, Louth, Monaghan, and Sligo—in the Republic, together with the six counties of Northern Ireland. Until 1994, the closing of smaller roads crossing the 260-mile border further isolated some towns and villages. In addition, some areas

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experienced violence from the conflict. Consequently, this mostly rural territory has faced difficult obstacles in economic development.

This article presents some of the similarities and differences in rural development in the Republic of Ireland and Northern Ireland, and in the United States. The findings presented here are a result of a research exchange project (see box, “Information on the Research Exchanges”).

Rural Development Efforts Promote Farm Diversification

The rural economy of the Republic and of Northern Ireland is primarily agricultural. Rural development efforts have emphasized this agricultural base, as well as tourism and small business ventures. Agricultural and rural development programs are framed predominantly within European Union (EU) policies, and the island of Ireland—the Republic and Northern Ireland—has priority status in the EU’s Structural Funds program, although this favorable designation has been withdrawn for part of the Republic and is likely to be fully or partially withdrawn for Northern Ireland on the basis of economic progress.

In the Republic of Ireland, development programs have emphasized a number of measures, including onfarm investment to strengthen productive capacity, general farm structural improvements, diversification of farming activities, tourism, reforestation, and human resource development, especially the training of career farmers and of rural adults involved in community-based rural development projects. In addition to dealing with adjustments in the agricultural sector, programs are also concerned with employment creation, the improvement of rural infrastructure, and the promotion of micro-enterprises. (See box, “Irish and American Efforts Toward Economic Diversification: Two Agricultural Counties.”) Priority program areas in Northern Ireland are rural community development, community-based economic regeneration, and area-based strategies targeted at specific disadvantaged areas. These programs include the implementation of farm diversification and tourism. This article focuses on four aspects of rural development: farm diversification, employment creation, community development, and infrastructure.

Farm Diversification

One of the Republic of Ireland measures supporting diversification from conventional farming emphasizes agri-tourism. Farmers and other rural dwellers are encouraged to develop tourist accommodations, such as bed-and-breakfasts, leisure facilities, and marketing systems. Rural areas may also benefit from a separate tourism program where the focus is not on farm diversifi-

cation but on the development of facilities and services, such as local heritage centers (local museums built to attract tourists, but which may also have space for classes or community events), special events and related infrastructures, and specialist accommodations such as conference facilities.

Other measures support farm diversification within agriculture. One important outcome of these strategies has been the development of a thriving mushroom industry in the border counties. This is based on a satellite production system in which networks of mushroom growers supply a limited number of companies using a dedicated distribution system, with most of the output going to UK markets. Other forms of diversification within conventional farming include specialty crops and livestock, such as deer farms, which allow farmers to take advantage of market niches. However, the more traditional choice of dairy production is likely to remain a popular option due to the EU’s Common Agricultural Policy (CAP) subsidies.

Employment Creation

Between 1991 and 1996, the Republic of Ireland expanded employment in the goods-producing industries (excluding agriculture) by 13 percent and in the service industries by 21 percent. There has been some concern, however, that job growth has not benefited the more remote regions.

Strategies to create jobs fall into three broad categories: attracting overseas investors, promoting indigenous enterprise, and encouraging localized small-scale businesses. In the case of inward investment, the focus has shifted from labor-intensive industries to higher value manufacturing and services. This effort has been particularly successful, and now 1,100 international companies, of which 60 percent are U.S. firms, have received incentives to locate in the Republic and employ its residents. With the growing concentration of companies in the larger urban centers, the border counties have been losing their share of new employment. In 1997, however, with a renewed determination to achieve a more equitable geographical distribution of investment, the balance of industry improved across the country.

Indigenous companies are widely dispersed, but given the Republic’s small domestic markets and the need to compete successfully against international competitors, the Republic’s manufacturing industry is relatively underdeveloped. State support for indigenous firms has shifted from grants aiding capital investment toward efforts addressing deficiencies in a wide range of business functions, such as innovation, technological development, training, management, and marketing.



Jim Frawley (Teagasc) and Vincent Reynolds, Chief Executive of the Cavan County Enterprise Board, in front of the Cavan Enterprise Center, a business incubator. Photo by Anicca Jansen.

Community Development

The Republic has two programs that emphasize local enterprise development and employment creation, and the related need to build the capabilities of local communities. The community's coming together to pursue socioeconomic development is valued as a benefit in and of itself. Developing and encouraging local organizations and entrepreneurs is increasingly a critical part of rural development strategies.

Rural development in Northern Ireland stresses that the community should be involved in the design and delivery of economic development projects and programs. In addition, the programs aim to develop the capabilities of rural communities through the provision of skills, advice, and financial assistance.

LEADER (*Liaisons entre actions de développement de l'économie rurale*—links between actions for the development of the rural economy) is an EU initiative that is conceptually similar to the National Rural Development Partnership (NRDP) program in the United States. Both programs increase the scope of multi-agency partnerships and empowerment at the local level, and both specify a systematic approach through strategic planning for local action. LEADER requires that public funds (national and EU) be matched by local LEADER groups.

Whereas LEADER is an EU program, the Republic sponsors a national initiative implemented at local levels, mainly at the county level. In 1993, 35 County Enterprise Boards (CEB's) were established in response to the perception that mainstream industrial development was not sensitive to local circumstances and opportunities. The CEB's stimulate local economic activity by providing financial and technical support for small enterprises. The boards bring together elected local government officials

with state agency personnel, business, trade unions, farmers, and voluntary organizations. Over half of the projects approved by the CEB's during 1993-95 were in services and tourism.

In Northern Ireland, the rural development effort is toward producing social outcomes as well as economic development through financially viable and sustainable projects. Developing leadership and project management capacity in community groups is strongly emphasized, and partnerships among public, private, nonprofit, and community sectors are encouraged. Locally based development in Northern Ireland must seek to build bridges across divided communities, where consensus building is considerably more difficult than in the Republic and the United States.

Several community-led development projects focus on attracting tourism. Although many tourists travel to Ireland, most go to the southern and western areas of the Republic, and few have traveled to Northern Ireland over the last 25 years. In Northern Ireland, projects in designated disadvantaged areas have been designed to attract tourists to areas with natural amenities. These projects, which have received funding from a variety of sources, act as a catalyst for private sector involvement. In addition, the projects work with the Northern Ireland Tourist Board to develop rural tourism, targeting special interests such as fishing, hiking, or crafts.

Infrastructure

Ireland's peripheral location, "an island behind an island," together with the small scale and open nature of the economy, means that sea and air communications are very important. A sparse population and dispersed settlement pose challenges in providing cost-effective services. For example, in the Republic, rural mail deliveries account for only 24 percent of total volume but 61 percent of delivery costs.

Residential telecommunications service varies from modern in localities such as Dublin to limited service in rural areas, roughly corresponding to the wealth of the local areas. In addition, the level of telephone penetration in the Republic is also lower than in other EU countries. But cellular phone operations are strong, and Internet use has grown exponentially in the 1990's. The telephone system is being upgraded to handle the new demands, but sophistication varies across the island from quite modern to the old party-line residentiary systems. The recent economic growth, the increasing impact of export-oriented foreign direct investment, and the need to access distant markets have intensified the demand for good communications. Major progress has been made in upgrading the telephone system to handle new demands.

Information on the Research Exchanges

The nationalist Irish Republican Army announced a cease-fire on August 31, 1994, and was followed by a similar announcement on October 13, 1994, from the loyalist factions in Northern Ireland. In May 1995, the White House hosted a conference on trade and investment in Ireland as part of an effort to support the peace and reconciliation process in Northern Ireland and the Republic of Ireland. This effort is partly designed to foster cooperation in the areas of rural development, food safety, and the rural environment. Funding for the research exchange project, "Strategies for Rural Development in Selected Counties in the Republic of Ireland and Northern Ireland," was granted as part of this White House effort. USDA's Foreign Agriculture Service (FAS) was the granting agency, through the U.S.-Ireland Cooperation Program, which was authorized as part of the 1985 Farm Bill. This project is one of several rural development research exchange projects with Ireland that have been funded by the FAS Scientific Cooperation Program. For more information on the program, see <http://www.fas.usda.gov/> under Programs.

The exchange visits sought to strengthen the links between individuals and institutions involved in rural development in the United States, Northern Ireland, and the Republic of Ireland. The goal was to promote ongoing joint efforts in research and practice. A particular aspect of this general aim of cooperation concerned the furtherance of cross-border linkages and practical collaboration in Ireland.

In the first phase of the project, Karen Hamrick and Peter Stenberg traveled to the Republic of Ireland and Northern Ireland for 1 week each in 1995. In the second phase of the project, Anicca Jansen traveled to the Republic of Ireland and Northern Ireland for 2 weeks in 1996. In 1997, the final phase of the exchange was a 1-week visit to the United States by Patrick Commins and Kevin Murphy. In addition to meeting with rural development specialists in Washington, DC, they traveled to several counties in Maryland. Robert Halman, County Extension Director, Harford County Cooperative Extension Service, arranged meetings for Commins and Murphy in Charles, St. Mary's, Calvert, and Harford Counties, Maryland. Anicca Jansen coordinated the visit to Somerset County, Maryland. In addition, the Food and Agricultural Policy Research Institute (FAPRI) and the Rural Policy Research Institute (RUPRI) at the University of Missouri in Columbia funded and arranged an additional 2-day visit for Commins and Murphy to Columbia, Missouri.

The findings presented here are the result of interviews each of the coauthors had with rural development researchers, policy-makers, and practitioners. Consequently, the sources for many of the findings here are the experts who were interviewed. In addition, the main publications used in this research are listed in the "Further Reading" section.

The entire island of Ireland is slightly smaller than the State of Maine and has no major geographical barriers, yet some areas can seem quite remote and traveling can be slow. In the Republic of Ireland, roads are by far the predominant mode of internal transportation. The mainly rural local roads account for most of the network, and traffic flows are modest by European standards. Traveling by car means narrow roads with low speed limits, and traveling by train means slow-moving trains with many stops. When the smaller border roads were closed, the border towns became much more remote than they appeared on the map. Five miles "as the crow flies" might translate into a 30-mile drive. The 1994-99 operational program for transport recognizes the need to improve local roads, especially those of importance for local economic development and tourism and for access to regional ports and national primary routes. This program also acknowledges the importance of the rail network in serving the more disadvantaged areas of the country but emphasizes replacement and maintenance over new construction. In Northern Ireland, the road network is also being improved. Although roads are relatively good between most population centers, calls to upgrade the Belfast-Dublin corridor have been constant.

A major emphasis in EU development assistance has been upgrading the highway system in the Republic. Major upgrades, such as widening the road bed and bypasses,

are taking place on trunk roads linking major population centers with Dublin. In addition, motorways have been completed in recent years, with more planned to link the largest cities. The border counties depend on service from major airports for access to mainland Europe and North America, and hence, they need good road connections for economic development. New or planned road improvements in the border counties, however, are much more limited; the most common plans are for bypasses around towns.

Most of the rural electricity network was installed over 40 years ago and now needs to be upgraded. In the Republic, about 8 percent of the fuel used for electricity generation is peat. This proportion is forecast to decline such that over 200,000 acres of cutaway peatland will be available for other uses.

Similarities and Differences With the United States

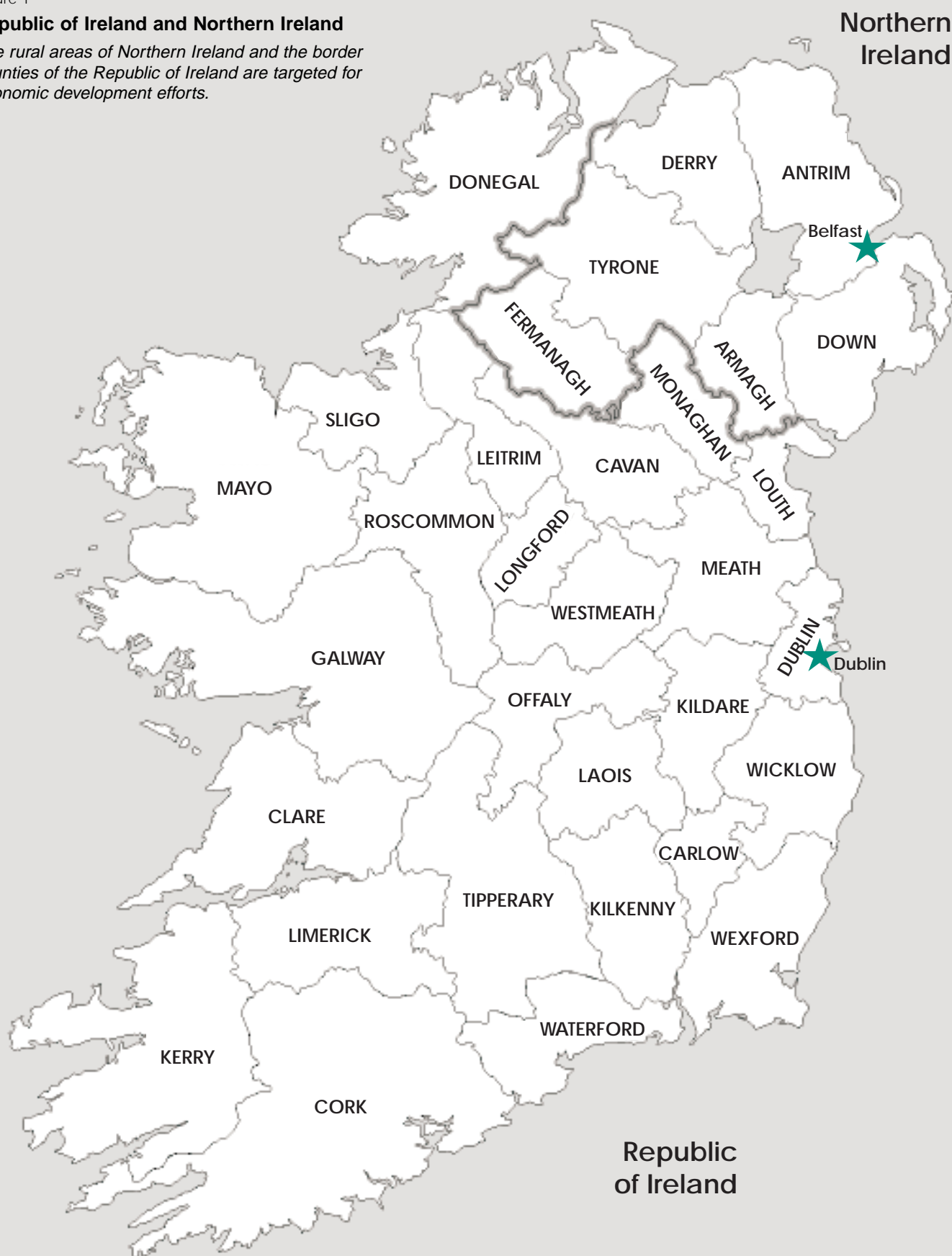
Outmigration

Both the rural United States and the island of Ireland have experienced outmigration to the cities. In the Republic of Ireland, the migration flows are to the eastern part of the country and especially to Dublin—currently, about one-third of the population lives in Dublin. Migration overseas has been balanced in recent years by an inflow of

Figure 1

Republic of Ireland and Northern Ireland

The rural areas of Northern Ireland and the border counties of the Republic of Ireland are targeted for economic development efforts.



Source: James Keenan, National University of Ireland, Maynooth, County Kildare, Ireland.

older adults, many of whom are returning exiles. The rural population in the Republic is older than the urban, since many working-age people have moved to Dublin or abroad. This pattern is similar to that in the United States where, historically, young adults have outmigrated to metro areas, leaving nonmetro areas with disproportionately more older persons. As in the United States, those with higher levels of education move from rural areas to the cities, where skilled jobs are most common. Outmigration in the rural areas of Northern Ireland is to Belfast and to cities in England. Because Northern Ireland is small, people can live in rural areas and commute to Belfast.

Agriculture

A major difference between the U.S. rural economy and that of the Republic of Ireland is the continuing importance of agriculture as an employer. Agriculture continues to be a significant, although declining, employer in the Republic, employing 10 percent of the workforce nationally and providing about 18 percent of the jobs in the border counties. In 1996, across the national workforce, 28 percent of those employed worked in the other goods-producing industries and 62 percent were in the services sector. However, only a minority of farm households depend solely on market-based income from their farms because of nonfarm income and nonmarket farm payments. Nonfarm earnings have become increasingly important, as in the United States. On 40 percent of Republic farms, the farm owner or spouse, or both, have a nonfarm job. On the average Republic farm, 52 percent of gross household income comes from the farm, 32 percent from nonfarm wages or salaries, 12 percent from transfer payments, such as pensions, and the remainder from other sources, such as investment income. Of the farm income, about half comes from nonmarket, "direct" payments from the EU or the Republic's Government. These are tied to production levels and are intended as compensation for different circumstances, such as farming in disadvantaged areas, as a cushion against price reductions under the CAP, or as payments for practicing environmentally friendly farming.

Over 80 percent of the total land area of Northern Ireland is used for agriculture. Almost all of this agricultural land is used for livestock grazing; crops occupy less than 6 percent of agricultural land. Economic activity and employment in the rural areas are dominated by farming and agricultural industries. However, employment in agriculture was only 62,000 workers in 1997, roughly 9 percent of all Northern Ireland employment.

About 9 percent of U.S. nonmetro jobs are in agriculture (only 3 percent nationwide), while the services industry accounts for the largest share of nonmetro jobs, 23 percent, and manufacturing 16 percent, with remaining



Sheep grazing in the border area. Photo by Anicca Jansen.

employment in other industries. On average, 89 percent of farm operator household income came from off-farm sources in 1995, although for some sales classes, this share was considerably less. Although many farms receive government payments, average government payments are small compared with off-farm income. Rural employment in Northern Ireland and the United States is fairly similar. Manufacturing accounts for a substantial portion of employment in rural areas, and about the same share of farmers have off-farm jobs. As productivity increases in agriculture, jobs inevitably shift to other industries; the United States and Northern Ireland are further along than the Republic in this transition.

Rural Policy

The European Union has promoted the concept of rural development in concert with CAP reform. In addition, EU funding is contingent on "the European Model of Sustainable Agriculture," which holds that agriculture must be market-oriented and competitive while accommodating other public goods functions, such as protecting the environment, providing a residential base for rural workers, and integrating agriculture and forestry. That policy, as interpreted in Northern Ireland and the Republic, includes the goal of maintaining a living countryside. The United States, by contrast, has historically had a number of rural development programs, without the explicit goal of saving all rural towns.

Irish and American Efforts Toward Economic Diversification: Two Agricultural Counties

Diversification from traditional agriculture is a rural development strategy pursued in many rural areas. Here the diversification strategies of two rural counties—one in the Republic of Ireland and one in the United States—are presented. Both counties were successful at getting support—funding and/or technical assistance—from outside the county to encourage new business ventures, promote tourism, and provide education and training.

County Cavan, Republic of Ireland, is a primarily agricultural border county that has organized to garner extensive economic development support. About one-third of employment in the county is from agriculture, forestry, and fishing. Most of the farms in the county are classified as dairy or beef production. These farms are small, with an average size of 19.2 hectares (47.4 acres), a bit under the Republic average of 29 hectares (71.7 acres). Almost all of the land is unsuitable for cropland and half of the farms experience pollution problems due to inadequate waste storage. In addition to agriculture, the level of agri-processing in the county is high.

In 1993, the Cavan County Enterprise Board was established to provide financial and technical support to local business, to develop and co-manage the Enterprise Center (a business incubator), and administer the Cavan County Enterprise Fund. The Fund, which receives funding from the International Fund for Ireland, provides low-interest loans and business and industry workspace in the Enterprise Center. Other local programs provide an array of economic development support, including training and education to long-term unemployed and marginalized groups, and aid to farmers and rural residents to provide tourism activities and accommodations. Other funding sources include the European Union rural development programs, the Republic, and local sources. The Cavan County Council has facilitated these programs by providing infrastructure, supportive local legislation, such as zoning, and social programs, and has provided technical assistance and financial support through the County Enterprise Board. County Cavan has also been involved in a multicounty organization, the North-West Regional Tourism Organisation Limited, to promote tourism.

Somerset County is the most southern county on the Maryland Eastern Shore. It is a nonmetro county with a population of 24,000, and is not adjacent to a metro area. It has a shoreline along the Chesapeake Bay, and its character varies from fishing communities to summer homes to marshland and wilderness. Its proximity to the centers of Salisbury, Pocomoke, and Ocean City is an advantage in terms of availability of services but a disadvantage in that there is a net migration of jobs out of the county. Much commercial activity passes through the county en route from New York/Philadelphia to Norfolk, Virginia, and the South.

Somerset has had slow population growth in the 1990's, and is reliant on economically vulnerable sectors, such as agriculture (soils are difficult to drain), fishing, seafood processing (crabs and oysters), poultry processing, and services related to these activities. Economic activity has shifted to larger production units and larger urban centers elsewhere. For the local population, reaching distant employment centers is not easy; public transportation is poor. A major employer is a large State prison built in 1987 and enlarged in 1993. With 3,500 inmates and 1,000 employees, the prison is largely responsible for the county's population growth over the 1980's and 1990's. Another major employer is a campus of the University of Maryland-Eastern Shore.

Somerset is taking steps to revitalize its economy. The county's Economic Development Commission was formed to promote investment opportunities. A Comprehensive Plan has been formulated with the following main goals: promote new processes and products; assist local firms to find new markets; target selected industries for labor retraining; promote the shoreline as a major tourism resource; encourage development in selected areas; preserve farmland and discourage sprawl and strip development; concentrate community facilities in centers and towns; develop multi-service centers; plan for a broad range of housing needs; and preserve environmentally sensitive areas including protecting groundwater resources. The University of Maryland is actively supporting the county's development efforts. For example, the university designed an on-campus business incubator facility to concentrate on hydroponics. It is also working with small farmers in efforts to help diversify farming activity.

Public Administration

In both the Republic and Northern Ireland, public administration is very much centralized. Local government has limited autonomy, unlike in the United States where local governments can levy taxes to provide education, police and fire protection, and other community services. In addition, European central government departments are quite compartmentalized. When various funding channels—from national and EU sources—are overlaid on this structure, the picture is one of fragmented efforts in rural development among several players in the field. No single administrative structure is responsible for integrated rural development. Through its local partnerships, the

LEADER program in the Republic helps to overcome this fragmentation, but these partnerships have functioned outside the local government system and are considered to be less than fully democratic.

Consequently, the Republic now proposes to place local economic development more within the local government framework, especially important as the EU is likely to scale back from LEADER after 2000. This transfer of decisionmaking is contentious since many local development activists consider local authority structures to be bureaucratic, conservative, and overly influenced by party politics.

Some programs, such as the EU Interreg and the International Fund for Ireland, have promoted cross-border cooperation. This cooperation should be greatly enhanced with the establishment of the new assembly in Northern Ireland, which will have a Department of Agriculture and Rural Development.

In the United States, Federal, State, and local governments have major roles in economic development in both rural and urban areas. Local administrations have taken on new responsibilities, especially in relation to planning and management of the environment. While urban local governments are staffed by professionals, many rural areas depend on civic-minded local residents acting voluntarily. In addition, the number of local government units—counties, towns, special districts—often complicates the delivery of services.

To surmount the problems arising from the patchwork of policies and programs, the U.S. Government began a new initiative in 1990, the National Rural Development Partnership (NRDP). The Federal role evolved from director to catalyst, facilitator, and collaborating partner. State Rural Development Councils (SRDC's)—made up of Federal, State, and local governments, together with representatives of private and nonprofit organizations—are now established in 36 States and they are reported to have

modest success in developing effective partnerships and coordination of actions in rural development. Most of the issues on the SRDC agenda concern wider economic and community development, the development of synergies among partners, and ways to address intersectoral problems.

Communities in the Republic and Northern Ireland have many programs to fund economic development, but appear to face greater bureaucracy than in the United States. Communities must deal with their member state—the Republic of Ireland or the United Kingdom. However, funding from the EU often comes in predetermined annual blocks that are out of sync with the pace of local development. One common complaint of local projects is “Too much cash at the beginning and too little at the end.” Another complaint heard is that the “drawing down of funds” is difficult. A complaint in Northern Ireland has been that the numerous programs create too many players in the field. The Northern Ireland Government is in the process of creating a Department of Agriculture and Rural Development to coordinate the rural development programs.

Activism and Vision

Both Irish and U.S. rural development hinges on a small number of local residents who are willing to organize efforts and encourage the community to pursue development strategies. Consequently, local development is partially personality-driven. The new emphasis in the Republic on community development in the local government framework is intended to reduce the dependence on personalism. Northern Ireland has attempted to integrate the bottom-up approach and top-down response by locating Department of Agriculture Rural Area Coordinators in rural areas to work with the local communities.

Universally, a community has to know what it has and where it wants to go. Bureaucracies can support a local vision of community development, but cannot substitute for this. The town of Clones, County Monahan, is one successful rural development effort. Tucked into the border, Clones became isolated when the border roads were closed. Consequently, the local economy suffered. In 1985, nine townspeople started the project that has evolved into the Clones Enterprise Center and the Clones Heritage Center. The town was able to raise about \$2.5 million in funding from a variety of sources. Several businesses have located in the area, and the project is considered a model of rural development. Two elements were crucial to this effort. First, the “nine concerned citizens” were instrumental in getting the project going and seeing that it continued for 10 years. Second, the community did a survey in 1985 to determine what the local economy needed and what townspeople wanted. The success of the Clones community leaders was acknowledged when they were hired by the International Fund for Ireland to train other communities.



A shoemaker in his shop in the Slieve Gullion courtyard, Armagh County, a Department of Agriculture for Northern Ireland development project. In addition to workshop rental space, the courtyard also includes lodging, a restaurant, and a garden for weddings and receptions. *Photo by Anicca Jansen.*

The U.S. Government similarly supports a community's vision through the Federal Empowerment Zones and Enterprise Communities program. A guiding principle of the program is that a community must have a vision of what it wants to become and a strategic plan for revitalization. The program provides a variety of Federal supports—including technical assistance, grants, and tax credits—to the communities selected. There are 3 rural Empowerment Zones—the Mississippi Delta, the Texas Rio Grande Valley on the Mexican border, and the Kentucky Highlands areas of Appalachia—and 30 Enterprise Communities.

Rural Areas Face the Challenges of Globalization and Devolution

As both the United States and the island of Ireland—the Republic and Northern Ireland—become increasingly involved in the global economy and the World Trade Organization regime, their agricultural sectors must adapt to liberalized trading conditions and lower commodity price supports. In particular, this prospect presents new challenges for farming households and agricultural support systems. For many farming households, the availability of off-farm employment and the earnings it offers may be of more significance than trends in farm income. Efforts to diversify the rural economies of both the United States and the two jurisdictions in Ireland will continue to be part of local rural development strategy. At the same time, supporting good environmental management is also a concern.

In both the United States and the island of Ireland, new forms of rural governance are emerging to implement rural development strategies. Statutory agencies and non-statutory organizations share responsibility for formulating and delivering development programs. In the United States, devolution of financial responsibility through block grants gives States flexibility, within limits, in targeting assistance. Although States and counties have received more authority, they are concerned about “unfunded mandates”—that is, the burden to implement laws and programs without Federal funding. This concern has

parallels in the Republic and in Northern Ireland; the EU proposes to transfer some of funding in the form of “national envelopes” rather than as amounts specified for particular purposes by Brussels. This policy means a greater degree of financing must be made by the Member States.

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